

Message Text

CONFIDENTIAL

PAGE 01 ATHENS 06593 01 OF 06 171214Z
ACTION PM-04

INFO OCT-01 ISO-00 EUR-12 CIAE-00 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
DHA-02 AID-05 ACDA-07 MC-02 IO-13 IGA-02 TRSE-00
COME-00 EB-07 OMB-01 OPIC-03 XMB-02 /102 W
-----092651 171220Z /46

R 151435Z JUL 77
FM AMEMBASSY ATHENS
TO SECSTATE WASHDC 1591
SECDEF WASHDC
INFO USCINCEUR VAIHINGEN GERMANY

C O N F I D E N T I A L SECTION 1 OF 6 ATHENS 6593

C O R R E C T E D C O P Y (PARA 8)

E.O. 11652: GDS
SUBJ: SECURITY ASSISTANCE - GREECE

TAGS: PFOR, PMIL, GR, US

ASSESSMENT OF US SECURITY ASSISTANCE PROGRAMS FOR FY 1979

1. US INTERESTS. GREECE IS A NATION WHERE WOUR STRATEGIC CONCERNS, POLITICAL INTERESTS AND MORAL VALUES ARE COMPATIBLE. WE ARE DRAWN TO GREECE BY OUR STRATEGIC RIVALRY WITH THE SOVIET UNION, SEEKING AT A MINIMUM TO DENY THIS COUNTRY TO OUR ADVERSARY. BEYOND THIS BEDROCK INTEREST, WE ARE ALLIED WITH GREECE TO PROJECT OUR OWN POWER AND THAT OF NATO INTO EASTERN EUROPE AND THE EASTERN MEDITERRANEAN AND, POSSIBLY, THE MIDDLE EAST. GREECE TODAY SHARES WITH THE US THE ASSUMPTIONS AND INSTITUTIONS OF LIBERAL DEMOCRACY, A COMMITMENT WHICH WE HAVE EVERY INTEREST IN STRENGTHENING. MOREOVER, A DEMOCRATIC GREECE WITH HEALTHY TIES TO THE US WILL PROBABLY FIND COMMON GROUND WITH US AND OUR OTHER ALLIES ON MAJOR POLITICAL AND ECONOMIC MATTERS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ATHENS 06593 01 OF 06 171214Z

2. (C) OTHER FACTORS MAKE GREECE OF DIRECT CONCERN. THERE ARE MEMORIES OF OUR CLOSE RELATIONS IN THE PAST WORLD WAR II ERA AND A HISTORY OF MUTUAL ACHIEVEMENTS. THE GREEK HERITAGE THAT PERVADES AMERICAN CULTURE IS A STRONG EMOTIONAL BOND, PARTICULARLY FOR SOME THREE MILLION GREEK-AMERICANS. THERE ARE IN GREECE APPROXIMATELY 37,000 NON-OFFICIAL US CITIZEN RESIDENTS, WHOSE WELFARE IS OF CONCERN TO THE USG. THERE EXISTS

A GROWING INVOLVEMENT IN THE GREEK ECONOMY. TODAY THERE ARE APPROXIMATELY \$500 MILLION OF DIRECT US PRIVATE INVESTMENT IN GREECE, \$60 MILLION OF IT BACKED BY OPIC GUARANTEES. US EXPORTS TO GREECE ARE AT AN ANNUAL LEVEL OF \$400 MILLION, CONSTITUTING A SIGNIFICANT COMMERCIAL INTEREST. GREECE IS THE SITE OF MAJOR VOA TRANSMITTERS BEAMED AT THE SOVIET UNION AND THE MIDDLE EAST, AREAS THAT WOULD BE HARD TO REACH WERE WE TO LOSE THESE FACILITIES.

3. (C) ALONG WITH THESE OTHER ASPECTS OF INVOLVEMENT, SECURITY ASSISTANCE PROGRAMS HAVE BEEN AN ESSENTIAL FACTOR IN OUR GOVERNMENT-TO-GOVERNMENT RELATIONS. LESSENING OR STOPPING US SECURITY ASSISTANCE WOULD MAKE IT VERY DIFFICULT FOR THE GOG TO SUPPORT OR MODERNIZE THEIR PREDOMINANTLY US-EQUIPPED ARMED FORCES. THESE DIFFICULTIES WOULD LEAD TO CRITICALLY STRAINED RELATIONS CHARACTERIZED BY UNCOOPERATIVE AND PERHAPS ADVERSE ATTITUDES TOWARD THE US. THEREFORE, US INTERESTS ARE SERVED BY SECURITY ASSISTANCE PROGRAMS TO THE EXTENT THAT GREECE'S COOPERATION IS REQUIRED FOR IMPLEMENTATION OF US FOREIGN POLICY AND STRATEGY.

4. (C) OBJECTIVES. OUR PRIMARY OBJECTIVE SHOULD BE TO BRING ABOUT A STABLE AND PEACEFUL RELATIONSHIP BETWEEN GREECE AND TURKEY. GREEK ANXIETIES ABOUT TURKEY CUT ACROSS OUR INTERESTS AND OBJECTIVES IN GREECE AND THE MEDITERRANEAN AREA. IN THE NEAR TERM WE MUST SEEK TO AVERT CONFLICT; IN THE LONGER RUN WE MUST SEEK A SETTLEMENT OF THE CYPRUS PROBLEM AND, EVEN MORE CRITICALLY, OF THE GREEK-TURKISH DISPUTE IN THE AEGEAN.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ATHENS 06593 01 OF 06 171214Z

5. (C) SECONDLY, WE MUST RESTORE FURTHER THE SENSE OF COMMON PURPOSE AND MUTUAL CONFIDENCE BETWEEN GREECE AND THE UNITED STATES. GREEK POLITICAL, MILITARY AND OPINION LEADERS HAVE A SUBSTANTIAL DEGREE OF CONFIDENCE IN US LEADERSHIP AND INTENTIONS. WHILE THERE ARE SOME WHO CAN NEVER ACCEPT THIS PROPOSITION, A LARGE PORTION OF THE PUBLIC STILL BELIEVES THAT THE INTERESTS OF GREECE -- POLITICAL, ECONOMIC, AND, ABOVE ALL, SECURITY -- ARE BEST SERVED BY CLOSE TIES WITH THE WEST AND THE US.

6. (C) WE SHOULD CONTINUE TO RESTORE US-GREEK COOPERATION IN SECURITY AFFAIRS. THIS OBJECTIVE ENCOMPASSES BOTH THE PRESERVATION OF ESSENTIAL US MILITARY FACILITIES IN GREECE AND THE RESUMPTION OF MEANINGFUL GREEK PARTICIPATION IN NATO. IN PURSUIT OF A HEALTHY SECURITY RELATIONSHIP WE SHOULD MAINTAIN A HIGH LEVEL OF US ASSISTANCE TO THE GREEK MILITARY TO IMPROVE THEIR EFFECTIVENESS AND READINESS TO CARRY OUT THEIR NATO ROLE. UNDER THE FRAMEWORK AGREEMENT FOR THE GREEK DCA, THE USG IS PROJECTING \$700 MILLION OF MILITARY ASSISTANCE OVER THE NEXT FOUR YEARS. WHILE THIS ASSISTANCE TO GREECE MAY BE JUSTIFIED SOLELY BY GREECE'S NATO ROLE, IT IS ALSO A CRITICAL PART OF OUR NEED TO BE EVENHANDED BETWEEN ANKARA AND ATHENS.

7. (C) OTHER OBJECTIVES INCLUDE: A HEALTHY AND STEADILY EXPANDING GREEK ECONOMY BECAUSE THIS IS A KEY TO POLITICAL STABILITY, IS A PREREQUISITE TO GREECE'S BEING AN ATTRACTIVE TRADING AND INVESTMENT PARTNER, AND BECAUSE IT WILL GENERATE INTERESTS THAT CONVERGE WITH OUR OWN IN INTERNATIONAL ECONOMIC FORUMS. WE SHOULD SEEK TO ENHANCE THE STABILITY OF GREEK POLITICAL INSTITUTIONS STARTING FROM THE PREMISE THAT FOR THE IMMEDIATE FUTURE CARAMANLIS IS THE FOUNDATION UPON WHICH GREEK DEMOCRACY RESTS.

8. PRIMARY THREAT. WITH THE 1974 CYPRUS GOSON AND THE EMERGING DISPUTE OVER THE AEGEAN, GREECE HAS SHIFTED ITS PRIMARY ATTENTION TO WHAT IT VIEWS AS A POTENTIAL THREAT FROM TURKEY, WHICH GREEK LEADERS HAVE PUBLICLY PACKAGED UNDER THE

CONFIDENTIAL

PAGE 04 ATHENS 06593 01 OF 06 171214Z

BROAD LABEL OF "TURKISH EXPANSIONISM". THUS, "EXPANSIONISM" IS USED TO JUSTIFY A WIDE RANGE OF GREEK ACTIONS AND HAS BEEN SOLD TO AND BOUGHT BY A LARGE SEGMENT OF PUBLIC OPINION. WHILE PRIME MINISTER CARAMANLIS HAS DISCOUNTED ARMED CONFLICT OVER CYPRUS, HHE HAS NOT MADE IT EQUALLY CLEAR THAT THE GOG WOULD NOT--AS A LAST RESORT -- UNDERTAKE MILITARY ACTION IN A CONFRONTATION WITH TURKEY OVER SUCH AEGEAN ISSUES AS THE CONTINENTAL SHELF AND THE AIR SPACE DISPUTES WHICH SOME GREEKS ARGUE ARE ATTEMPTS BY TURKEY TO EXTEND ITS INFLUENCE IN THE AEGEAN AT GREECE'S EXPENSE. THEREFORE, THE GREEKS MAINTAIN A STRONG DEFENSIVE POSITION GEARED TO MEETING A THREAT FROM TURKEY.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 ATHENS 06593 02 OF 06 170934Z
ACTION PM-04

INFO OCT-01 EUR-12 ISO-00 CIAE-00 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
DHA-02 AID-05 ACDA-07 MC-02 IO-13 IGA-02 TRSE-00
COME-00 EB-07 OMB-01 OPIC-03 XMB-02 /102 W
-----092207 170938Z /13

R 151435Z JUL 77
FM AMEMBASSY ATHENS
TO SECSTATE WASHDC 1592
SECDEF WASHDC

INFO USCINCEUR VAIHINGEN GERMANY

C O N F I D E N T I A L SECTION 2 OF 6 ATHENS 6593

9. (C) SINCE 1974 THE GOG HAS UPGRADED SIGNIFICANTLY THE QUALITY OF ITS ARMED FORCES BOTH IN TRAINING AND IN MATERIEL. DOMESTICALLY, THIS POSTURE HAS WON SUPPORT FROM A LARGE MAJORITY OF THE POLITICAL SPECTRUM. AND THE GREEK PERCEPTION OF THE "TURKISH THREAT" HAS GREATLY INFLUENCED GREECE'S DIPLOMATIC RELATIONS. IN MULTILATERAL FORA AS WELL AS BILATERALLY, GREEK DIPLOMACY HAS BEEN CONDUCTED IN GREAT PART WITH THE OBJECTIVE OF WEAKENING TURKEY IN THE INTERNATIONAL COMMUNITY. WE ARE NOT IN A POSITION, OF COURSE, TO ASSESS COMPLETELY TURKISH INTENTIONS. HOWEVER, IN OUR OPINION THE THREAT OF "TURKISH EXPANSIONISM" IS EXAGGERATED, ALTHOUGH AN UNFORESEEN, ACCIDENTAL INDICENT, NURTURED BY CENTURIES OF GREEK-TURKISH ANTAGONISM, COULD OCCUR. THUS, UNTIL A MORE TRANQUIL ATMOSPHERE PREVAILS BETWEEN THE TWO COUNTRIES, A REASONABLE CASE CAN BE MADE FOR THE PRESENT GREEK POSTURE -- ONE WHICH IN ESSENCE IS DEFENSIVE.

10. (C) SECONDARY THREAT. THE EVENTS OF RECENT HISTORY HAVE NOT, HOWEVER, ECLIPSED GREEK CONVERN AND PREPAREDNESS TO MEET THE THREAT FROM THE NORTH. THE MEMORIES OF THE CIVIL STRIFE AGAINST THE COMMUNISTS REMAINS VIVID. DESPITE GREECE'S WITHDRAWAL FROM THE NATO-INTEGRATED MILITARY STRUCTURE IN 1974, (REFLECTING NATIONAL PIQUE AT NATO'S ROLE IN DEALING WITH INTRA-ALLIANCE

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ATHENS 06593 02 OF 06 170934Z

DISPUTES), IT IS CLEAR THAT THE GOG STILL VIEWS THE ALLIANCE AS THE ONLY VIABLE SHIELD AGAINST AGGRESSION FROM THE COMMUNIST STATES TO THE NORTH. WITH THE GRADUAL COOLING OF POPULAR PASSIONS OVER CYPRUS, THE GOG HAS MADE KNOWN PUBLICLY ITS INTENT TO REJOIN THE MILITARY WING OF NATO IN THE EVENT OF A GENERAL WAS. MOREOVER, THE GOG HAS ALREADY TAKEN SOME STEPS TOWARDS REINTEGRATION, PENDING EVENTUAL RESOLUTION OF GREECE'S NATO STATUS. THUS, AS PRIME MINISTER CARAMANLIS HAS REPEATEDLY STATED, GREECE'S POSITION IS WITH THE WEST; AND HE HAS MADE IT CLEAR THAT HTIS INCLUDES THE NATO ALLIANCE.

11. (C) AS TO THE GOG ASSESSMENT OF THE NORTHERN THREAT, GREECE HAS GENERALLY MAINTAINED INTACT ITS MILITARY DEFENSES TO MEET WHAT IT CONSIDERS TO BE A MINIMAL THREAT FROM ALBANIA. THE SAME MILITARY POSTURE WHICH PROVIDES A DEFENSE AGAINST TURKEY TO THE EAST ALSO SERVES IN LARGE PART AS A BULWARK AGAINST A POTENTIALLY SEVERE THREAT FROM BULGARIA. ONLY ON THE FRONTIER WITH YUGOSLAVIA, WHERE THE GREEKS JUDGE THE THREAT IS LEAST LIKELY, IS THE DEFENSIVE POSTURE, IN OUR JUDGMENT, INADEQUATE TO THE POTENTIAL THREAT IN A POST-TITO ERA.

12. (C) IN SUM, THE IMMEDIATE CONCERN TO THE GOG IS A POSSIBLE

CONFLICT WITH TURKEY IN WHICH, SHOULD IT OCCUR, GREEKS FEEL THE COUNTRY MIGHT BE LEFT WITHOUT ALLIED SUPPORT. THUS, GREECE HAS UNDERTAKEN TO BOLSTER HER DEFENSIVE POSITION, TO BUILD FIRM POLITICAL SUPPORT FOR THIS LINE DOMESTICALLY, AND TO ATTEMPTS DIPLOMATICALLY TO WEAKEN TURKEY. WHILE REGARDED AS LES OF AN IMMINENT THREAT, THE CHALLENGE FROM THE COMMUNIST COUNTRIES, PRIMARILY BULGARIA, HAS NOT BEEN FORGOTTEN. SHOULD IT BECOME MORE INTENSE, THERE WOULD VERY LIKELY BE A CONCOMMITANT SHIFT OF MILITARY PRIORITIES BY THE GOG WITH THE EXPECTATION THAT NATO, ESPECIALLY THE US, WOULD SUPPORT A COMMON EFFORT AGAINST THIS THREAT.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ATHENS 06593 02 OF 06 170934Z

13. ABSENCE OF A CURRENT OR PROJECTED THREAT. THE TOTAL ABSENCE OF ANY THREAT IS A CIRCUMSTANCE WHICH IS NOT APPLICABLE FOR GREECE.

14. BEST SUITED MILITARY ESTABLISHMENT. THE GOG BELIEVES ITS SECURITY REQUIREMENTS ARE BEST MET IN THE CONCEPT OF A TRI-SERVICE MILITARY ESTABLISHMENT MODELED AFTER THE BRITISH AND, SINCE WORLD WAR II, MODELED MORE NEARLY LIKE THE US DEFENSE ESTABLISHMENT. THE SERVICES ARE TRADITIONALLY ORGANIZED IN THIS FASHION AND IT IS UNLIKELY THAT THE ORGANIZATION, COMPOSITION OR ROLES AND MISSIONS WILL UNDERGO ANY SIGNIFICANT CHANGES IN THE FORESEEABLE FUTURE. AS CONSTITUTED, THE CURRENT ESTABLISHMENT WARRANTS FIRM SUPPORT BY THE US. THE ARMY IS THE DOMINANT FORCE OF THE HELLENIC DEFENSE ESTABLISHMENT. ALL THREE SERVICES ARE WELL ORGANIZED, DISCIPLINED AND LOYAL TO THE PRESENT GOVERNMENT. THE ARMY IN PARTICULAR IS FULLY CAPABLE OF EFFECTIVELY COUNTERING ANY INTERNAL THREAT. AGAINST AN EXTERNAL ATTACK THE ARMY HAS THE CAPABILITY TO DEFEND FOR ABOUT THIRTY DAYS WITHOUT OUTSIDE ASSISTANCE. THE AIR FORCE CAN EFFECTIVELY STRIKE OPPOSING GROUND AND NAVAL FORCES WITHIN THEIR COMBAT AIRCRAFT RADIUS. THE NAVY CAN CONTROL SEA LINES OF COMMUNICATIONS AGAINST A BORDERING NAVY OF COMPARABLE EFFICIENCY ON ADJACENT SEAS WHERE THE AIR FORCE CAN MAINTAIN SUPERIORITY.

15. AGAINST A COORDINATED WARSAW PACT ATTACK THE COMBINED HELLENIC ARMED FORCES COULD PROVIDE LIMITED DEFENSE, BUT WOULD REQUIRE ALMOST IMMEDIATE NATO (US) ASSISTANCE. WEAKNESSES INCLUDE INSUFFICIENT FORWARD GROUND AND SHIPBOARD AIR DEFENSE SYSTEMS; OBSOLESCENT GROUND ARMOR, ARMORED PERSONNEL CARRIERS AND SHIP WEAPONS SYSTEMS; INADEQUATE COMMAND AND CONTROL SYSTEMS, PARTICULARLY FOR CLOSE AIR SUPPORT AND AIR DEFENSE ON LAND AND SEA. HOWEVER, GIVEN APPROPRIATE LOGISTICS SUPPORT, ARMOR AND AIRCRAFT REPLACEMENTS AND AUGMENTING NAVAL UNITS, THE ARMED FORCES COULD PROVIDE A FORMIDABLE OBSTACLE IN DEFENSE OF GREECE. THE ARMED FORCES MEET NATO FORSTAT REQUIREMENTS BUT COULD NOT BE GREATLY EXPANDED. AS FOR ALTERNATIVES, THEY COULD BE MORE QUICKLY

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 ATHENS 06593 02 OF 06 170934Z

AND MORE COMPLETELY MODERNIZED AT HIGHER COST IF THIS WERE DESIRED.
THE LESS EXPENSIVE OPTION OF REDUCING SECURITY ASSISTANCE WOULD
RESULT IN A DISPROPORTIONATELY HIGH DECREASE IN MILITARY CAPABILITIES

16. SPECIFIC DEFENSE ARTICLES AND DEFENSE SERVICES PROPOSED IN THE
FY 1979 MSAP INPUTS HAVE BEEN TABULATED BELOW. IN GENERAL, THE
ARMY PRIORITIES ARE FOR GREATER AIR MOBILE CAPABILITY, ANTI-TANK
WEAPONS, MODERNIZATION OF ARMORED AND MECHANIZED UNITS AND
INCREASED COMMUNICATIONS CAPABILITY. THE AIR FORCE IS MODERNIZ-
ING THEIR TACTICAL RECONNAISSANCE AND TRAINING AIRCRAFT,
INCREASING COMMUNICATIONS CAPABILITY AND IN-COUNTRY AIRCRAFT
MAINTENANCE CAPABILITY. THE NAVY WISHES TO ACQUIRE COMMUNICATIONS
EQUIPMENT, REPLACEMENT DESTROYERS, FRIGATES AND LANDING SHIPS;
MISSILE PATROL CRAFT, AND ASW HELICOPTERS (NON US), AS WELL AS
MORE MODERN FIRE CONTROL SYSTEMS TO OPERATE THE RAPID FIRE AA
GUNS AND SHORT RANGE MISSILES. IN OVERALL PROCUREMENT PRIOR-
ITIES UNDER MAP AND FMS, AIR FORCE MODERNIZATION HAS IN GENERAL

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 ATHENS 06593 03 OF 06 170958Z
ACTION PM-04

INFO OCT-01 EUR-12 ISO-00 CIAE-00 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
DHA-02 AID-05 ACDA-07 MC-02 IO-13 IGA-02 TRSE-00
COME-00 EB-07 OMB-01 OPIC-03 XMB-02 /102 W
-----092254 170959Z /13

R 151435Z JUL 77
FM AMEMBASSY ATHENS
TO SECSTATE WASHDC 1593
SECDEF WASHDC
INFO USCINCEUR VAIHINGEN GERMANY

C O N F I D E N T I A L SECTION 3 OF 6 ATHENS 6593

TAKEN FIRST PRIORITY, THE ARMY SECOND, AND THE NAVY THIRD.
THE BELOW PRIORITY ORDER BY CATEGORY FOLLOWS THE ARMED FORCE'S
COMMAND PRIORITY LISTING AS GIVEN TO JUSMAGG. REMARKS FOLLOW THE
TABLE WHICH IS CODED AS FOLLOWS:

MAP GRANT AIR
 FMS CT CREDIT
 FMS CH CASH
 CP COMMERCIAL PURCHASE

MAP FMS FMS CP NOTE
 CT CH

1. TRAINING & SUPPORT	X	X	A
2. HELICOPTERS	X	B	
3. C3 EQUIPMENT	X	C	
4. AIRCRAFT	X X	D	
5. GROUND MOBILITY VEHICLES	X X	X E	

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ATHENS 06593 03 OF 06 170958Z

6. NAVAL AMMUNITION	X X	F
7. TORPEDOES	X X	G
8. ASW MISSILES	X X	H
9. AIR-TO SURFACE MISSILES	X X	I
10. SURFACE-TO/AIR MISSILES	X	
11. ANTI-TANK MISSILES	X	K
12. RAPID-FIRE AA GUNS	X X	L
13. SURFACT-TO/SURFACE MISSILES	X	M#
14. PATROL BOATS	X	N#
15. DESTROYERS/FRIGATE/LST	X X X	O#

NOTE 1:

A. TRAINING (IMET AND FMS CH) AND FOLLOW-ON SUPPORT
 (MAP AND FMS CH) RECEIVE VERY HIGH PRIORITY AND ARE MANDATORY FOR
 MAP/FMS TRANSFERS. SEE PARAGRAPH 22 FOR FURTHER DISCUSSION.

B. HELICOPTERS (CH-47C AND OH-58) ARE DESIRED FOR BETTER
 AIR MOBILE CAPABILITY, OBSERVATION, AND HEAVY LIFT CAPABILITY.

C. C3 EQUIPMENT IS MAINLY RADIO EQUIPMENT, NONE OF WHICH IS STATE-OF-THE TECHNOLOGY OR COMPUTER INTERFACED EQUIPMENT.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ATHENS 06593 03 OF 06 170958Z

D. AIRCRAFT (TA-7H, F4E AND RF-4E) EXCEPT FOR THE TA-7H ARE PREVIOUSLY PROCURED FOLLOW-ON PAYMENTS. THE TA-7H WILL RESULT IN ECONOMIES IN TRAINING FOR A7 AIRCRAFT PRESENTLY IN THE AIR FORCE INVENTORY.

E. GROUND MOBILITY VEHICLES ARE TRANSPORTERS WITH BAYS FOR BRIDGING FROM US-MAP; TANK RETRIEVER (M88A1) US-FMS CT AND ARMORED PERSONNEL CARRIERS (M113A1) US/ITALY CO-OP - CP.

F. NAVAL AMMUNITION IS 5" 38 CAL AND 3" 50 CAL PROJECTILES.

G. TORPEDOES ARE MK 46 AND MK 37 STANDARD TORPEDOES.

H. ASW MISSILES ARE ASROC.

I. AIR-TO-SURFACE MISSILES REQUIRED ARE WALLEYE MK1.

J. SURFACE-TO-AIR MISSILE SYSTEMS ARE BASIC POINT DEFENSE, NATO SEA SPARROW AND HAMLET.

K. ANTI-TANK MISSILES ARE TWO AND DRAGON.

8. RAPID FIRE AA GUNS ARE EMERLEC 30 MM, VULCAN PHALANX.

M. SURFACE-TO-SURFACE MISSILES DESIRED ARE HARPOON.

N. PATROL BOATS - THE ONLY US POSSIBILITY IS ASHVILLE CLASS.

O. FOR DESTROYERS ETC., POSSIBILITIES ARE FORREST SHERMAN CLASS DDS, KNOX CLASS FFGS AND SUFFOLK COUNTY CLASS LSTs.

THE MSAP INDICATES CASH PURCHASE FOR HARPOON, PATROL BOATS, DESTROYERS, ETC, BECAUSE OTHER HIGHER PRIORITY ITEMS LISTED
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 ATHENS 06593 03 OF 06 170958Z

ABSORBED ALL MAP/FMS-CT ANTICIPATED AT THE TIME THE MSAP WAS SUBMITTED. THE TABLE ABOVE IS INTENDED TO INDICATE ONLY, THAT WERE MAP/FMS-CT AVAILABLE, THIS WOULD BE THE PREFERRED

METHOD FOR FINANCING THESE RELATIVELY EXPENSIVE ITEMS.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 ATHENS 06593 04 OF 06 170951Z
ACTION PM-04

INFO OCT-01 EUR-12 ISO-00 CIAE-00 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
DHA-02 AID-05 ACDA-07 MC-02 IO-13 IGA-02 TRSE-00
COME-00 EB-07 OMB-01 OPIC-03 XMB-02 /102 W
-----092239 170955Z /13

R 151435Z JUL 77
FM AMEMBASSY ATHENS
TO SECSTATE WASHDC 1594
SECDEF WASHDC
INFO USCINCEUR VAIHINGEN GERMANY

C O N F I D E N T I A L SECTION 4 OF 6 ATHENS 6593

NOTE 2: THE SPECIFIC ARTICLES CONTEMPLATED FOR TRANSFER
IN FY 1979 PROGRAMS ARE NOT NEW DESIGN OR MOST ADVANCED STATE
OF THE TECHNOLOGY ITEMS. THE HELLENIC SERVICES ARE WELL INFORMED
ABOUT MODERN WEAPONS AND THEY WOULD NOT ACCEPT LESS ADVANCED
MILITARY HARDWARE. LESS COSTLY OPTIONS ARE DILIGENTLY SOUGHT
DURING DECISION PROCESSES. THE GREEK'S JUDGMENT OF THEIR CAPA-
BILITY TO OPERATE AND MAINTAIN THE SYSTEMS THEY HAVE ACQUIRED
HAS BEEN EXCELLENT, AND NO DIFFICULTY IS FORESEEN FOR FUTURE
ACQUISITION PROGRAMS FROM US SOURCES PROVIDED US TRAINING
ASSISTANCE PROGRAMS CONTINUE.

NOTE 3: ALL ITEMS ARE CONSIDERED TO BE IN THE INTEREST
OF THE US. ALL WILL CONTRIBUTE TO THE DEFENSIVE POSTURE OF
GREECE'S NATO EARMARKED UNITS WITHOUT CONTRIBUTING IN THE
AGGREGATE TO CREATING AN ARMED FORCE SUITABLE FOR AGGRESSIVE
WARFARE.

17. IMPACT ON THE ECONOMY: THE GOG HAS DECIDED THAT
EXPENDITURES FOR GREECE'S NATIONAL DEFENSE, EVEN THOUGH EXTREMELY
HIGH (6.7 PERCENT OF ESTIMATED 1977 GNP AND 22.4 PERCENT OF THE
1977 BUDGET), ARE SO VITAL FOR POLITICAL AND SECURITY REASONS
THAT DEFENSE EXPENDITURES TAKE PRECEDENCE OVER OTHER IMPORTANT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ATHENS 06593 04 OF 06 170951Z

AREAS. THEREFORE, IT CAN BE ASSUMED THAT GREECE'S ECONOMY WILL BE BURDENED WITH CERTAIN FOREIGN EXCHANGE EXPENDITURES FOR DEFENSE EQUIPMENT AND SERVICES, WHETHER THEY ARE PROCURED FROM THE US OR FROM OTHER COUNTRIES. ON THIS ASSUMPTION, THE IMPACT OF US SECURITY ASSISTANCE PROGRAMS ON GREECE'S ECONOMY, DEBT SERVICE CAPABILITY AND DEVELOPMENT WILL BE POSITIVE, EVEN THOUGH THE DOLLAR AMOUNTS OF MAP GRANTS AND FMS CREDIT FOR EQUIPMENT PURCHASES ARE NOT LARGE IN THE OVERALL ECONOMIC PICTURE. IF FORCED TO PROCURE ELSEWHERE, THE GOG WOULD NOT HAVE FINANCING DIFFICULTIES AT THIS TIME. DESPITE A CURRENT ACCOUNT DEFICIT OF ROUND \$1 BILLION, GREECE REDUCED ITS OFFICIAL BORROWING REQUIREMENTS TO \$400 MILLION IN 1976, PRIMARILY BECAUSE OF AUTONOMOUS CAPITAL INFLOWS. IT CURRENTLY HAS RESERVES OF AROUND \$900 MILLION, AND ACCESS TO APPROXIMATELY \$800 MILLION IN UNDRAWN CREDIT LINES OVER THE NEXT TWO YEARS. MOREOVER, IT ENJOYS AN EXCELLENT CREDIT RATING AND COULD EASILY RAISE ADDITIONAL AMOUNTS IN INTERNATIONAL MARKETS. HOWEVER,

COMMERCIAL BORROWING FOR DEFENSE OUTLAYS IN LIEU OF FMS CREDIT AND GRANT AID WOULD SHORTEN THE MATURITY OF GREECE'S EXTERNAL DEBT, INCREASE AMORTIZATION PAYMENTS AND RAISE THE DEBT SERVICE RATIO. EVEN SO, THE IMPACT ON GREECE'S DEBT SERVICE CAPABILITY AND ECONOMY WOULD NOT BE SIGNIFICANT SINCE THE DOLLAR AMOUNT OF US EQUIPMENT PURCHASED UNDER FMS CREDIT IS RELATIVELY SMALL. THUS, GRANT AID AND INTEREST SAVINGS FROM FMS CREDIT DO NOT PLAY A CRITICAL ROLE IN THE GREEK ECONOMY.

18. USG/ CIVILIAN CONTRACT PERSONNEL. THERE ARE THIRTY-ONE CONTRACT CIVILIANS IN-COUNTRY SUPPORTING VARIOUS AIRCRAFT SYSTEMS. ADDITIONAL PERSONNEL SHOULD NOT BE REQUIRED TO SUPPORT THE TA-7 AIRCRAFT LISTED IN PARAGRAPH 16. THE PRESENCE OF THESE PERSONNEL HAS NEVER BEEN AN ISSUE WITH THE GOG.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ATHENS 06593 04 OF 06 170951Z

19. EXCEPT FOR SOME MISSILES, COMPARABLE DEFENSE ARTICLES ARE AVAILABLE TO SERVE ALL REQUIREMENTS AT HIGHLY COMPETITIVE PRICES FROM A NUMBER OF COUNTRIES OTHER THAN THE US. GREECE WILL TURN TO OTHER SUPPLIERS WHEN DENIED REQUESTS BY THE US. THE ARMED FORCES ARE GENERALLY WILLING TO PAY MORE FOR US EQUIPMENT BECAUSE OF THE VASTLY SUPERIOR TRAINING AND SUPPORT AVAILABLE COMPARED TO ANY OTHER COUNTRY; BUT EVEN NOW THE GOG MAKES SUBSTANTIAL PURCHASES OF MODERN ARMAMENT FROM OTHER COUNTRIES. THE DOLLAR COST IS NOT PRECISELY KNOWN, BUT THE RANGE OF PURCHASES IS INDICATIVE OF THE READY AVAILABILITY OF EUROPEAN ARMS. THE ARMY HAS PURCHASED FROM FRANCE, WEST GERMANY, NORWAY AND ITALY. SUCH PURCHASES INCLUDE MISSILES, GUNS, TANKS, ARMORED PERSONNEL CARRIERS, TRUCKS, RIFLES, FIREFIGHTING

EQUIPMENT, MILITARY CLOTHING AND HELICOPTERS.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 ATHENS 06593 05 OF 06 171005Z
ACTION PM-04

INFO OCT-01 EUR-12 ISO-00 CIAE-00 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
DHA-02 AID-05 ACDA-07 MC-02 IO-13 IGA-02 TRSE-00
COME-00 EB-07 OMB-01 OPIC-03 XMB-02 /102 W
-----092269 171007Z /13

R 151435Z JUL 77
FM AMEMBASSY ATHENS
TO SECSTATE WASHDC 1595
SECDEF WASHDC
INFO USCINCEUR VAIHINGEN GERMANY

C O N F I D E N T I A L SECTION 5 OF 6 ATHENS 6593

THE NAVY HAS PROCUREMENT PROGRAMS WITH FRANCE, WEST GERMANY, NORWAY AND ITALY, FOR MISSILE PATROL BOATS, SURVEILLANCE HELICOPTERS, DIESEL SUBMARINES, FAST TORPEDO BOATS, SURFACE-TO-SURFACE MISSILES, RAPID FIRE AA GUNS AND LIGHT ASW HELICOPTERS. THE AIR FORCE HAS BOUGHT FIGHTER AIRCRAFT FROM FRANCE AND AIR DEFENSE SYSTEMS FROM WEST GERMANY.

20. ARMS CONTROL IMPACT. FOR ALL ITEMS LISTED IN 16 ABOVE, COMPARABLE TYPES OF DEFENSE EQUIPMENT EXIST IN THE HANDS OF NUMERICALLY SUPERIOR FORCES IN THE COUNTRIES TO THE NORTH AND IN TURKEY TO THE EAST. DESPITE FREQUENT DECLARATIONS ABOUT THE TURKISH THREAT, THERE IS LITTLE PROSPECT (AND NO INDICATION) THAT THE GOG COULD OR WOULD ATTEMPT TO DEVELOP A PREPONDERANT MILITARY FORCE FOR AGGRESSION AGAINST TURKEY OR THE NATIONS TO THE NORTH. THE MILITARY POSTURE IS OF NECESSITY DEFENSIVE BECAUSE OF A SMALL POPULATION, LIMITED LOGISTICS RESERVES, AND LIMITED FINANCIAL, INDUSTRIAL AND NATURAL RESOURCES.

21. HUMAN RIGHTS DEVELOPMENTS: THERE HAS BEEN NO DETRIMENTAL DEVELOPMENT IN THE AREA OF HUMAN RIGHTS. ON THE CONTRARY, THE GOG HAS CONTINUED TO PROVIDE FOR AND ENSURE RESPECT FOR THE EXERCISE OF FULL HUMAN RIGHTS. THEREFORE, NO ISSUE IS FORESEEN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ATHENS 06593 05 OF 06 171005Z

THAT WILL ADVERSELY INFLUENCE THE USG, THE CONGRESS OR THE AMERICAN PEOPLE TOWARD GREECE. DENIAL OF SECURITY ASSISTANCE, HOWEVER, COULD HAVE SOME VERY NEGATIVE RESULTS... SUCH AS WEAKENING PUBLIC AND MILITARY SUPPORT FOR PRIME MINISTER CARAMANLIS AND CONSEQUENTLY ENDANGERING GREEK DOMESTIC INSTITUTIONS.

22. RESTRAINT BY GREECE AS A PURCHASER/SUPPLIER OF ARMS. IT IS UNLIKELY THAT GREECE WOULD AGREE TO RESTRAINTS ON PURCHASES OF ARMS FROM OTHER COUNTRIES. DESPITE THE DOMINANCE OF US ARMAMENT IN THEIR INVENTORY AND THE PREFERENCE FOR US MANUFACTURED ARMAMENT, PROCUREMENTS FROM THIRD COUNTRIES WILL PROBABLY CONTINUE. EUROPEAN COUNTRIES MARKET AGGRESSIVELY AND APPEAR GENERALLY TO BE ABLE TO OFFER A RANGE OF EQUIPMENT SUITABLE FOR GREECE AT ATTRACTIVE PRICES AND APPEAR TO BE MORE ABLE TO DIVERT DELIVERIES TO MEET SUDDEN OR UNEXPECTED DEMANDS. GREECE WOULD PROBABLY ARGUE THAT LIMITS ON PURCHASES ARE NOT NECESSARY IN GREECE'S CASE. GREECE IS NOT A SUPPLIER OF ARMS, EXCEPT FOR RIFLES OF BELGIUM MANUFACTURE WHICH ARE ASSEMBLED AND TESTED HERE. GREECE HAS ABIDED BY PREVIOUS AGREEMENTS REGARDING TRANSFERS OF US ARMS TO THIRD COUNTRIES AND WOULD CONTINUE TO ABIDE BY SUCH AGREEMENTS. THE COUNTRY DOES NOT HAVE, AND IS NOT GIVEN MUCH CHANCE OF DEVELOPING, A SIGNIFICANT COMPETITIVE CAPABILITY FOR THE MANUFACTURE OF HEAVY ARMAMENTS. GREECE IS STRIVING TO DEVELOP THE CAPABILITY TO OVERHAUL MAJOR MILITARY EQUIPMENT, NOW BUILDS SMALL CRAFT AND HAS FOR SOME TIME MANUFACTURED MOST ARMY AMMUNITION. A BRANCH OF THE GOVERNMENT CALLED THE WAR INDUSTRIES SERVICE HAS BEEN ESTABLISHED WHICH IS FOSTERING AN ATTEMPT TO MANUFACTURE TRUCKS, AIRCRAFT PARTS, AUTO-RIFLES, MORTARS, GUNS, SMALL WARSHIPS AND A WIDER RANGE OF AMMUNITION. THESE PROJECTS IN TOTAL ARE VERY AMBITIOUS.

NEVERTHELESS IN THE UNLIKELY EVENT THESE PROJECTS COME TO FRUITION, TO ACHIEVE ECONOMIES IN PRODUCTION, GREECE WOULD

CONFIDENTIAL

PAGE 03 ATHENS 06593 05 OF 06 171005Z

MOST LIKELY TRY TO EXPORT. HOWEVER, FOR THE FORESEEABLE FUTURE THE COUNTRY WILL REMAIN VERY LARGELY DEPENDENT ON FOREIGN MANUFACTURED ARMAMENTS.

23. TYPES OF GRANT TRAINING TO SERVE US INTERESTS:

THERE IS NO DISPARITY OF INTEREST BETWEEN THE US AND GREECE IN GOG TRAINING REQUESTS. GRANT TRAINING IS BASICALLY ORIENTED TOWARD HIGH COST PROFESSIONAL TRAINING, HOWEVER, EQUIPMENT RELATED TRAINING IS PROVIDED FOR US ORIGIN EQUIPMENT. GREECE HAS GRANT TRAINING AS WELL AS FMS CASH PURCHASED PROGRAMS. THE OBJECTIVE OF ALL THREE HELLENIC SERVICES IS TO ACHIEVE SELF-SUFFICIENCY IN TRAINING, BUT THIS IS UNLIKELY IN THE

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 ATHENS 06593 06 OF 06 171011Z
ACTION PM-04

INFO OCT-01 EUR-12 ISO-00 CIAE-00 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
DHA-02 AID-05 ACDA-07 MC-02 IO-13 IGA-02 TRSE-00
COME-00 EB-07 OMB-01 OPIC-03 XMB-02 /102 W
-----092302 171014Z /15

R 151435Z JUL 77
FM AMEMBASSY ATHENS
TO SECSTATE WASHDC 1596
SECDEF WASHDC
INFO USCINCEUR VAIHINGEN GERMANY

C O N F I D E N T I A L SECTION 6 OF 6 ATHENS 6593

NEAR TERM IN THE FOLLOWING AREAS:

(1) ADVANCED ENGINEERING EDUCATION
(2) HIGH LEVEL TECHNICAL TRAINING
(3) TRAINING IN OPERATION AND MAINTENANCE FOR NEW SYSTEMS
OR EQUIPMENT.
(4) LIMITED SPECIALIZED TRAINING WHERE IT IS NOT
ECONOMICALLY FEASIBLE TO ESTABLISH A SCHOOL.
(5) TRAINING IN CURRENT US/NATO PROCEDURES AND DOCTRINES.
ALL THREE SERVICES ARE SELF-SUFFICIENT IN BASIC TRAINING,
UNIT LEVEL MAINTENANCE AND BASIC ENGLISH LANGUAGE TRAINING. NO
REDUCTION IN US PROVIDED TRAINING REQUIREMENTS IS FORESEEN.
THE SERVICES ARE HEAVILY DEPENDENT ON CONUS TRAINING FACILITIES.
A CONSEQUENTIAL BY-PRODUCT OF US TRAINING IS THAT PRACTICALLY
ALL NAVY AND AIR FORCE AND SOME ARMY SENIOR LEADERS HAVE TRAINED
IN THE US. TOP LEVEL MILITARY OFFICERS' FAMILIARITY AND USUAL
ADMIRATION FOR THE US HAS BEEN HELPFUL IN PROMOTING US INTERESTS
IN GREECE. OF A SOMEWHAT OVER \$3 MILLION TRAINING PROJECTED
FOR THE ARMED SERVICES IN 1979, A LITTLE LESS THAN HALF WILL
PROBABLY BE GRANT AND THE LARGER PART FMS CASH. THE SERVICES
(EXCEPT THE ARMY WHICH PLANS PRACTICALLY ALL GRANT AID)
PREFER TO USE GRANT AID FOR EXPENSIVE, PROFESSIONAL SCHOOL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ATHENS 06593 06 OF 06 171011Z

COSTS AND TO PAY US DOMESTIC TRAVEL AND PER DIEM WITH FMS CASH. OVERSEAS TRAVEL AND PART OF US COST-OF-LIVING ALLOWANCES ARE PAID OUT OF POCKET, PROBABLY ABOUT \$1 MILLION IN 1979. A GREAT AMOUNT OF PLANNING GOES INTO THEIR TRAINING PROGRAMS AND A SPLIT IN IMET/FMS CASH IS GENERALLY ACHIEVED WHICH MAXIMIZES THE TRAINING GAINED FOR THE AMOUNTS AVAILABLE. IF GRANT TRAINING WAS NOT AVAILABLE, THEY WOULD BE FORCED TO REDUCE ADVANCED PROFESSIONAL TRAINING (THE HIGHEST IN COSTS) IN ORDER TO PAY FOR ESSENTIAL EQUIPMENT AND OPERATIONAL RELATED TRAINING. EQUIPMENT RELATED TRAINING AND A SUPPORT PACKAGE ARE REQUIRED BY THE US FOR FMS OR MAP EQUIPMENT TRANSFERS, AND UNDER PRESENT DIRECTIVES (AS WELL AS BECAUSE THE TRAINING IS ESSENTIAL) NO VOLUNTARY MOVEMENT AWAY FROM CURRENT LEVELS OF EQUIPMENT RELATED TRAINING IS FORESEEN.

24. IN CONCLUSION GREECE IS HEALTHY POLITICALLY, ECONOMICALLY AND MILITARILY. IT IS A WORTHY ALLY AND PARTNER. THE GOG IS SETTING A GOOD EXAMPLE IN HUMAN RIGHTS. THERE IS NO EVIDENCE OF AGGRESSIVE INTENT. THESE INDICES OF GOOD HEALTH AND RESPONSIBLE PARTICIPATION IN INTERNATIONAL AFFAIRS ARE TO SOME EXTENT FORWARDED BY THE US MILITARY ASSISTANCE PROGRAMS. WHILE THESE PROGRAMS ARE INVALUABLE TO GREECE, OF GREATER SIGNIFICANCE IS THAT THEY REDOUND TO THE INTEREST OF THE US IN FAR GREATER INCREMENTS THAN THE DOLLAR VALUE WE EXPEND.
KUBISCH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SPHERE OF INFLUENCE, COLLECTIVE SECURITY, SECURITY, MILITARY ASSISTANCE, FOREIGN ASSISTANCE, MILITARY ASSISTANCE PROGRAMS, INTELLIGENCE ASSESSMENTS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ATHENS06593
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770270-1071, D770254-0551
Format: TEL
From: ATHENS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770755/aaaabvem.tel
Line Count: 736
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2665566b-c288-dd11-92da-001cc4696bcc
Office: ACTION PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 14
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1854378
Secure: OPEN
Status: NATIVE
Subject: SECURITY ASSISTANCE - GREECE ASSESSMENT OF US SECURITY ASSISTANCE PROGRAMS FOR FY 1979
TAGS: MASS, MILI, PFOR, GR, US, UR
To: STATE DOD
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/2665566b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009